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## ABSTRACTS OF PRESENTATIONS AT THE 2013 ANNUAL AHFME RESEARCH SYMPOSIUM

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## **ABSTRACTS OF PRESENTATIONS AT THE 2013 ANNUAL AHFME RESEARCH SYMPOSIUM**

### **HOTEL PRICING PRACTICES FOR SAME DAY ARRIVAL GUESTS**

**J. Beck, M. Kim, and Raymond Schmidgall**

**ABSTRACT.** Determining prices for different customer groups and varying prices over time to maximize revenues is the basis for pricing. This presentation will discuss hotel room pricing policies and practices for same day arrival guests. A survey of hotel managers responsible for pricing policies was conducted in Spring/Summer 2013. This study will provide valuable insights into the understanding of hotel pricing policies and practices for same day arrival guests.

### **MOMENTUM AND INSIDER TRADING**

**Qingzhong Ma**

**ABSTRACT.** Both short-term momentum and long-term reversal are attributable to investors underreacting to preceding insider trading information. Past winners (losers) continue to earn significant positive (negative) returns in the short term only if their insider trading activity indicates positive (negative) information. Thus, short-term momentum is attributable to investors underreacting to insider information that confirms past return. In the long term, past winners (losers) earn significant negative (positive) returns only if their insider trading activity indicates negative (positive) information. Thus, long-term reversal is attributable to investors underreacting to insider information that disconfirms past return. After controlling for insider trading information, there is no evidence of overreaction. Further, there is a clear “division of labor” between stocks that contribute to momentum and stocks that contribute to reversal.

### **THE EFFECT OF BOARD CLASSIFICATION IN THE RESTAURANT INDUSTRY**

**Joonho Moon and Amit Sharma**

**ABSTRACT.** Previous literature suggests that classified boards could impact firm performance in context of firm-specific characteristics. In continuation of this discussion, this study investigates the effect of classified board on firm value in the restaurant industry. Even though classified board can reduce firm value due to higher monitoring cost, existing literature argues that classified boards are devoted to protect investors and shareholders against opportunistic bids, which in turn increases their debt financing capabilities. Data from U.S. restaurant firms was analyzed from Compustat and Riskmetrics during 2007–2011 to investigate whether classified boards impact firm value in the restaurant industry. Our results indicate that classified boards lower the value destruction of restaurant firms in terms of cost of debt. That is, cost of debt is lower in classified board firms, thereby reducing their negative impact on firm value. The implications and limitation of this research are also discussed.